




ILLINOIS DEPARTMENT OF

Central Management Services

www.state.il.us/cms/

Rod R. Blagojevich, Governor

Transformation of The Bureau of Communications and Computer Services

The Seal of the State of Illinois is visible in the background, centered behind the title text. It features an eagle with a shield, holding an olive branch and arrows, with a banner in its beak. The seal is encircled by the words "OFFICE OF THE GOVERNOR" and "STATE OF ILLINOIS". The date "AUG. 26TH 1818" is at the bottom.

Our Goals

RATIONALIZATION

IT/Telecom

The Seal of the State of Illinois is visible in the background, featuring an eagle with a shield, holding an olive branch and arrows, with a star above its head.

- Migrate from current state to managed state
- Enterprise-wide governance
- Standards
- Repeatable process
- Continuous improvement
- Improve Service Levels

Less than 18 month payback with ROI of \$507M

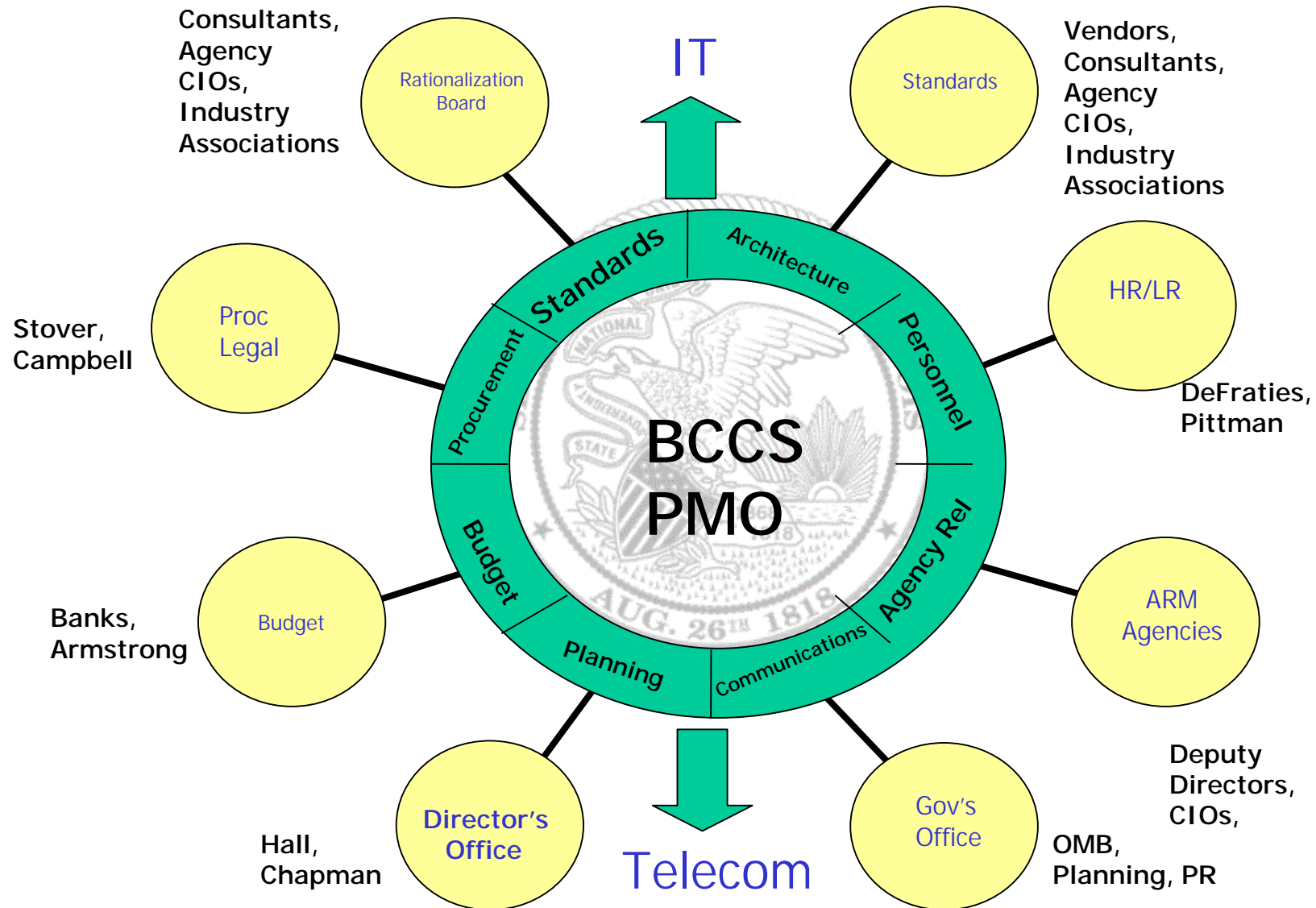
RATIONALIZATION

Goals for Remaining '04 & '05

- Savings Initiative(s):
 - \$35M year to date, \$8M remaining '04
 - \$70M '05
 - LTR & Procurement Oversight
- Migrate from current state (Silo, No Accountability) to managed state (PMO, Team Base, Workflow Driven):
 - PMO focus
 - Accountability at all levels
 - Process and workflow orientation
- Enterprise-wide governance for Technology and IT
- Develop Statewide Standards
- Workflow Engineering "Repeatable Process"
- Customer Relations "Continuous Improvement"
- Improve Service Levels "Reliability, Speed, Up-time, Cost"
- Access diversity – Technology
- Assimilation and/or consolidation of:
 - ICN
 - ITO
 - Other Agency IT Facilities & Staff

Means to Optimize IT Functions & Staff

- Consolidation (Shrinking of IT):
 - Physical consolidation of assets, shrinking the IT & Telecom Infrastructure
 - The assimilation of staff from other Agencies resulting in:
 - Statewide IT staff reductions
 - BCCS staff increases
- Centralization (Fewer Locations):
 - Physical relocation of staff, changing reporting locations, and managers
 - Physical relocation of functions and work
 - Physical relocation of IT Infrastructure I.e. Servers, Mainframes, Data Centers, etc.
- De-Centralization (Distribution out to Satellite Locations):
 - Physically move staff out to Satellite Locations
 - Physically moving functions out to remote satellite locations
 - Optimize Existing IT Infrastructure



BCCS Dependencies to Success!

Critical Success Factors

- Legislation will be required to extend CMS authority to consolidate I.T. and Telecom, including authority over the ICN.
- Spending Authority will need to be made available (in either the EIRF, GRF, CRF/SSRF or some combination) to utilize the investment cash.
- Ability to validate actual achieved savings in future years will be dependent on a reliable statewide vehicle to capture agency I.T. budgets and spending.
- There are potential federal reimbursement issues depending on how the cash is raised/spent for this investment. Maximus should be involved in this analysis.
- Will agency budgets be reduced by the expected net amount of savings, OR, by the savings PLUS the initial investment?
- I.T. governance policy and authority will need to be in place and supported by the Governor's Office/GOMB.
- **Personnel Related Issues**

Personnel & Labor Relations Hurdles to Success

IT Contractor Labor Force:

- A significant % of the 420 IT contractors (including 80% of BCCS contractors) have been performing lasting services that otherwise could be justified as a state employee position.
- IT contractors cost the state 45% more than a state head.
- CMS proposes to convert 80% of the 420 IT Contractors to State employee positions.
- CMS will only recognize 6-months of savings benefit in '05 assuming the IT initiative commences by Feb '04.
- 5-year cumulative savings at a static view represents \$93.2M

Hurdles:

- Headcount sufficient to convert up to 80% of 420 I.T. contractors will need to be available.
- Development of HR creative policies/procedures to support these conversions.
- Development and approval of job descriptions
- Development and approval of employee performance metrics
- Posting and Selection Process (Best candidate, existing contractor, etc)
- Convert 80% of Contractors by December '04
- Transitional budget for contractors
- Personnel code logistics regarding consolidation, centralization, and de-centralization of staff
 - Union
 - Civil Service Commission (Exempted/Non-exempt, etc.)
 - Veteran Status

Personnel & Labor Relations Hurdles to Success

(Continued)

IT State Employees:

- Previous surveys suggest CMS can consolidate 800 of the 1800 existing IT positions.
- State will reduce IT payroll of \$117M by as much as \$5.2M/'04 and \$10.4 in out years.
- Savings is achieved by consolidating servers and operations.
- Consolidation will allow CMS to reduce the 800 associates by 20 percent.
- CMS will only recognize 6-months of savings benefit in '05 assuming the IT initiative commences by Feb '04.
- 5-year cumulative savings at a static view represents \$46.8M.

Hurdles:

- Headcount & budget sufficient to transfer the 80% of the 800 IT Employees into CMS/BCCS.
- Development HR creative policies/procedures to support these conversions.
- Development and approval of job descriptions
- Development and approval of employee performance metrics
- Posting and Selection Process (Best candidate, existing contractor, etc)
- Convert 80% of Contractors by December '04
- Transitional budget for contractors
- Personnel code logistics regarding consolidation, centralization, and de-centralization of staff
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Personnel & Labor Relations Hurdles to Success

(Continued)

General Hurdles:

- **POSTING** - We will be entering into **Agency Agreements** until transfers are complete:
 - Do we need to post if not a union position? (% of the 800 IT Associates)
 - How do we quickly evaluate Union vs. Non-Union?
 - Transfer under current Agency Title or the new BCCS Title? If BCCS, do we post?
 - How do we ensure Most Qualified?
- **POSITIONS**- Approval Process to Approve new positions:
 - Can we optimize the Internal Action Form (IAF) processing of 1,000 positions?
 - EPAR process, if not modified will cause massive delays (Budget, Larry, Director, OMB, and Governor's Office). Can we batch approve?
 - Current Process of mitigation of IAF disputes will not work with 1,000 positions. Can we have a formal - weekly "Open Issues Meeting" to address any and all pending requests?
- **JOB DESCRIPTIONS** – As many as 600 associates will find their job description and duties changing by more than 51%
 - Can we modify the governance requiring us to re-post a position if more than 51% of the duties change?
 - Can we solicit the Union's and Civil Service Commission's Cooperation?
 - Can we creatively address this issue in cells, or work groups vs. by individual?

Will Internal Personnel have someone on point to handle the volume of some 1,000 plus changes?

Personnel & Labor Relations Hurdles to Success

(Continued)

Change in Reporting Structure:

- Virtually every department will be redesigned, structure and manager change certain. Currently said changes require a 104 (job Description) modification. Can we address these changes in cells or by department?
- Will Internal Personnel have someone on point to handle the volume of some 1,000 plus changes?
- What resource restrictions will impact this process? How can we overcome issues that may impact time?

Organizational Changes General:

- Can we communicate organizational plans and changes in a formal – weekly “Open Issues Meeting” to expedite change?
- Second level under the Deputy Director needs to be exempted (4D3). Can Internal Personnel work with us in filing the appropriate documents?
- We need assistance in writing the 104s.
- If we will need to use Personal Service Agreements (in many cases to ensure we keep the operation fluent during transition of contractors, transfer of employees, etc.) can we streamline the approval process?

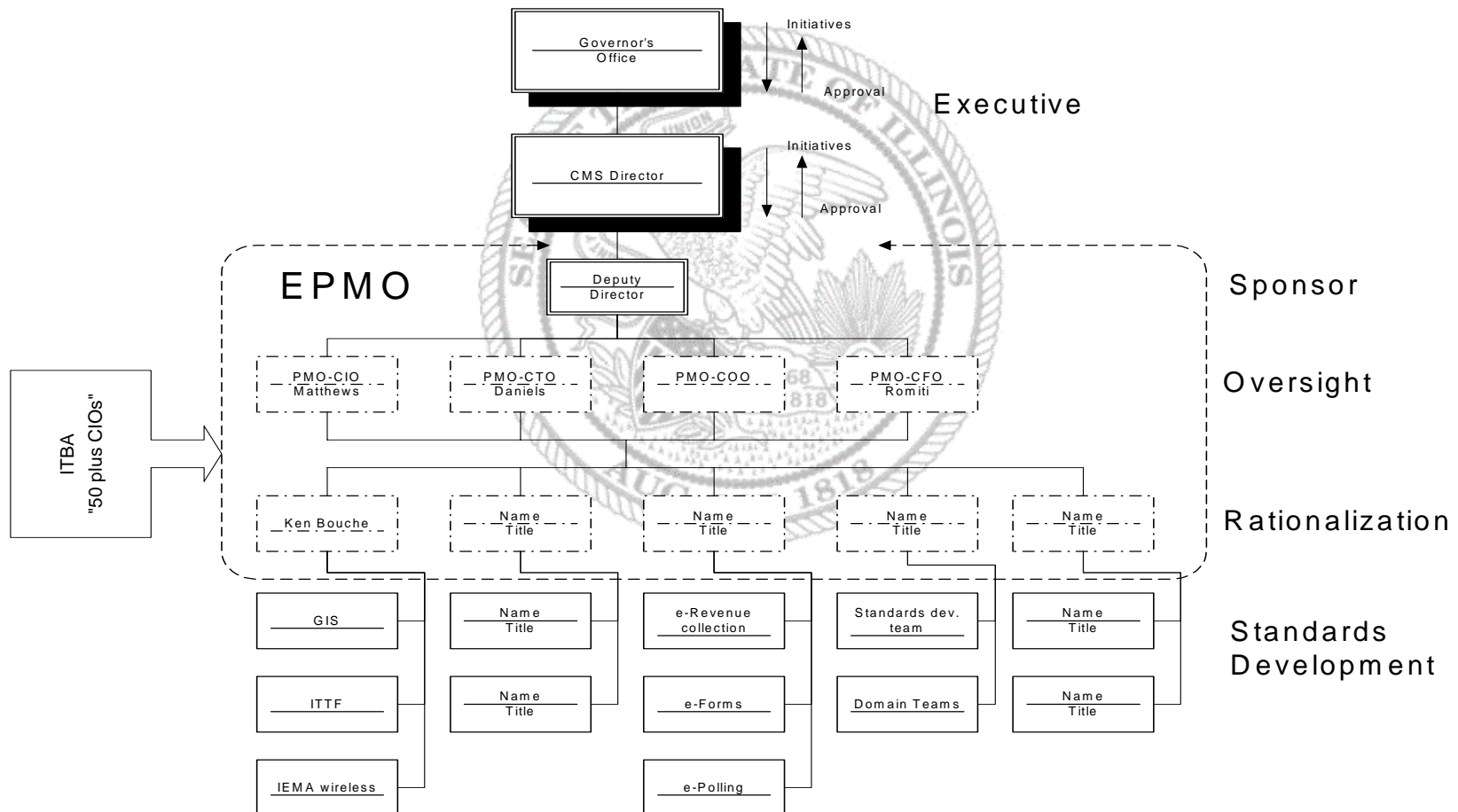
Work Shifts

- Certainly work shifts will be affected. Can we look towards a global communication of understanding with the Union for a finite period of time?

Executive Governance Summary



Proposed Governance Model



Current Methodologies are Inefficient and Costly

- No Statewide IT or Telephony technology Standards
- Technology strategies not guided by approved principles or policy
- Redundant processes and work without accountability
- Metrics have not been defined to validate efficiency
- Vendor management is difficult due to inconsistencies in policy across Agencies. Vendors leverage this to their own advantage

Current State Governance

IT Governance

- ITEPS- Procurement and Oversight
- ITBA- CIO Forum (50+ CIOs and Technology Managers)
- Solo Agency IT Initiatives/ Strategy



Current State - Governance Issues

- ITEPS- no teeth, poor participation, inconsistent workflow, no standards, rubber stamping, no investment analysis
- ITBA- consensus driven (50+ CIOs), no formal governance, no authority, no accountability, little or no Standards work, no measurable deliverables
- no formal Standards work
- no formal alignment across Agencies of Initiatives or IT investments
- No formal cost/investment oversight or “center-lead” IT strategy

Opportunities Enabled by a Governance Model Include:

- Cost savings associated with resource optimization and consistency in vendor selection and management
- Improved service delivery through consistent Standards, policy, and methods
- Improved 'time to market' for IT and telecom services through re-use and sharing across agencies of software, hardware and other assets

To Implement the Governance Model We Need :

- Approval of this “center-lead” CMS/BCCS Governance model
 - OMB support
 - Statewide communication to Agencies endorsing the governance policy approved by OMB and Governor’s office
 - Empowerment to bias agency direction and decisions toward a Statewide IT strategy



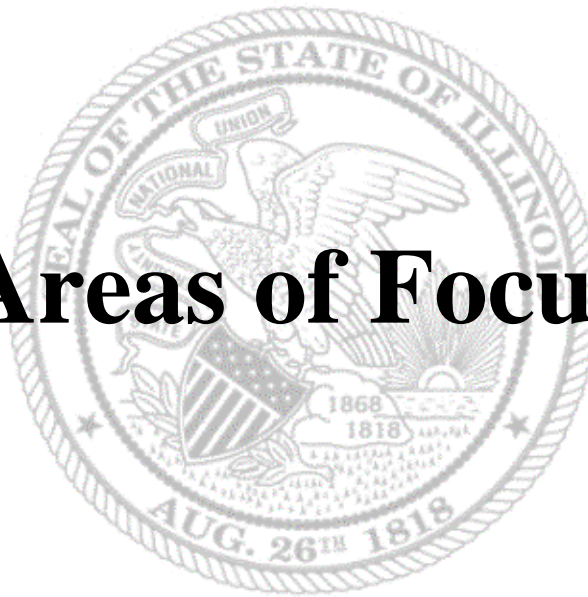
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Areas of Focus



IT Rationalization

AREAS OF FOCUS

Mainframe
Server
Software Consolidation

Workforce Rationalization
Cost Recovery
IT Master Plan
Email Consolidation*



BearingPoint

Accenture

Telecom Rationalization (EKI)

AREAS OF FOCUS

Verification of Telecommunication Statistics and KPIs
Telecommunications Workforce Rationalization
Data Network Rationalization
Voice Network Rationalization
Telecommunications Master Plan



BCCS Team

- **BCCS Operations Management Team**

- **BCCS PMO**

- **Executive Sponsor**

Jay Carlson

- **IT Lead**

Jim Matthews

- **Telecom Lead**

Tony Daniels

- **Procurement / Process**

Paul Romiti

- **Daily PMO Interaction**

Terry Davis / Harold Mays

- **Personnel Related**

Julie Moscardelli

BCCS PMO Role

- Governance

 - Manage Standards

 - Management and Implementation of Guiding Principles

- Program Management

- Procurement Approval

- Manage Bureau Communications Plan

- Approval of initiatives and projects

- Master Coordination of Rationalization Activity

- Escalation of Issues

- Reporting and Tracking of Deliverables

